Statement of Rationale

Academic departments require equipment and maintain a variety of facilities necessary to support the teaching and research programs of the unit. Such facilities are usually funded by the University and/or by external granting agencies. These facilities are often highly specialized and capable of providing service not generally available within the region. It is recognized that opportunities exist to make excess capacities in such facilities available to external organizations or individuals. Indeed it is an obligation of publicly funded institutions and a stated objective of some external granting agencies to encourage cooperation with organizations in the private sector.

The purpose of this policy is to enunciate guidelines for the striking of agreements for the use of department-based facilities by external organizations or individuals in situations where the proposed use is compatible with the objectives and policies of the University and does not interfere with normal requirements. It is intended that these guidelines permit a degree of flexibility to meet the specific requirements of particular facilities, while at the same time demanding that those involved in formalizing agreements exercise responsibility in order to protect the legal and other interests of the University.

Guidelines

1. An academic department shall be permitted, where appropriate, to enter into arrangements with external organizations or individuals for the incidental use of its facilities. Any revenue realized from such use shall be credited to the department's general operating funds.

2. All arrangements for the use of department-based facilities by external organizations or individuals shall be covered by a letter of agreement signed both by a representative of the external user and by an official of the University, normally the Chair of the Department or Director of the School. While each department shall have responsibility for the formulation and administration of agreements, each agreement must be approved by the Dean responsible for the department. Moreover, in order to ensure that there is a central record, a copy of each agreement shall be filed with the Office of Research Administration.

3. Each letter of agreement shall summarize the terms and conditions for the use of the facilities, and shall state explicitly that such use will have lower priority than use required for teaching and research programs of the department. Some
model letters of agreements will be available through the Office of Research Administration.

4. Agreements for the incidental use of department-based facilities shall not provide for the services of academic or support staff except where required to ensure the proper operation and management of the facilities. Normally, external users shall not be permitted to use facilities without some degree of supervision or control.

5. Each proposed use of a department-based facility must conform with the safety and ethical standards established and monitored by appropriate University committees: Animal Care, Biohazards, and Human Subjects. When applicable, the proposed use shall be vetted by the appropriate committee.

6. Equipment purchased through the Purchasing Department is exempt from federal sales tax provided that it is intended to be used primarily for teaching and/or research. Similarly, such equipment is exempt from duty, if purchased outside of Canada, when used exclusively for teaching and/or research functions. Although the rules granting duty exemption can be read to suggest otherwise, the incidental use of such equipment by external users is probably acceptable provided it does not jeopardize the tax and duty exemptions received by the University.

7. Departments need to recognize that supplies purchased by the University for educational purposes are federal sales tax and/or duty exempt. These exemptions preclude a department from providing supplies to an external user as part of the terms of an agreement unless it can be demonstrated that the external user is covered by the same exemptions.

8. Each department will be required to submit an annual report to the Dean that includes details on all active agreements during the preceding year, the amount of revenue derived from each agreement, and the manner in which such revenues have been deployed by the department.

9. Departments will be required to take steps to recognize and address the possibility of conflict of interest. In particular, there shall be an explicit requirement for full disclosure in all cases where faculty or staff of the University are associated with an outside organization wishing to enter into an agreement with a department.

10. A department will not be permitted to enter into an agreement in cases where the facilities required are available commercially through local agencies. Moreover, a proposed agreement that places the University in direct competition with private business elsewhere in B.C. will normally not be approved.